

V. Hence it appears that on June 15th, 1846, when the title to the Crown Lands of Vancouver Island was for the first time vested in the Crown beyond dispute, the only party who held any right derived directly from the Crown to occupy any portion of the soil of this Colony, was the Hudson Bay Company; and their right by the conditions of the Royal License was temporary and possessory only; in fact, in the words of Martin's Work "The Hudson Bay Company Territories and Vancouver Island, &c.," "They (the Hudson Bay Company) could make no grant of land; having themselves no better title than a Hunting License from the Crown."

VI. The conditions of the Crown Lands, as to title, remained unchanged from June 15th, 1846, to January 13th, 1849. At the latter date Her Majesty, by Royal Grant or Letters Patent under the great Seal, granted the entire Crown Lands which included the whole of Vancouver Island to the Hudson Bay Company. No exception was made in the grant with respect to any lands occupied by the Hudson Bay Company prior to January 13th, 1849.

VII. The conditions on which the grant was made were mainly and substantially as follows:

1. The Hudson Bay Company were to have for ever all the crown lands and Mines Royal, at a rental of seven shillings per year.

2. The Hudson Bay Company were to found settlements in the Island within five years or forfeit the grant.

3. The Hudson Bay Company were to sell the land for colonisation purposes except such land as might be required for public purposes.

4. The moneys received from sales of land or minerals was to be spent in the Colonisation of the Island, after deducting 10 per cent from the gross proceeds for the trouble of the Hudson Bay Company in selling it.

5. The Company were to allow Reserves to be made for naval purposes for which the Crown agreed to pay.

6. The Company were to make a return every two years of the number of Colonists, and what land had been sold.

7. In case the Company did not fulfil the previous conditions, the Crown could resume the Island.

8. But in case the Crown resumed the Island, it bound itself to do so "without prejudice to the *dispositions of the land* made in the mean time by the Company for the *actual purposes of colonisation and settlement*."

9. A further condition was that the Crown, although it had granted the Island for ever to the Company, might, if it thought proper, at the expiration of the Royal License of exclusive trade with the Indians, that is, on May 30th, 1859, re-purchase and take Vancouver Island from the Hudson Bay Company, provided the Crown paid to the Company "the sum or sums of money theretofore laid out and expended by them in and upon the Island and premises, and of the value of their Establishments, property and effects being thereon."

VIII. From January 13th, 1849, to June 29th, 1860, the Hudson Bay Company held all the Crown Lands of the Colony granted to them at the former date, with the exception of Crown Reserves and such lands as had been disposed of to divers persons for the purpose of Colonisation and settlement. At the latter date the Hudson Bay Company made an arrangement with Her Majesty's Government by which all the lands in the Colony could be sold, except such lands as the Company held prior or subsequent to January 13th, 1849, as Fur Trade Branch Reserves, viz, Sections No. 18, 31, and 32, Victoria District Map of 1861, and such other lands as the